

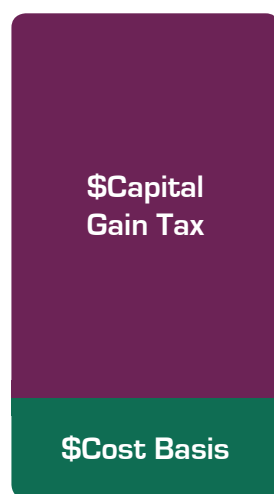
Seller and Non-Profit Win-Win Strategy #1

IRS Section 170 Bargain Sale

Situation

Seller has a large capital gain and wishes to reduce the tax on the sale of the property. Potential gains and recapture of depreciation cause the seller to look for alternatives to reduce the tax.

Problem Tax



Win-Win



Sales Price
Charitable Tax
Deduction

Reduce Capital
Gains Tax

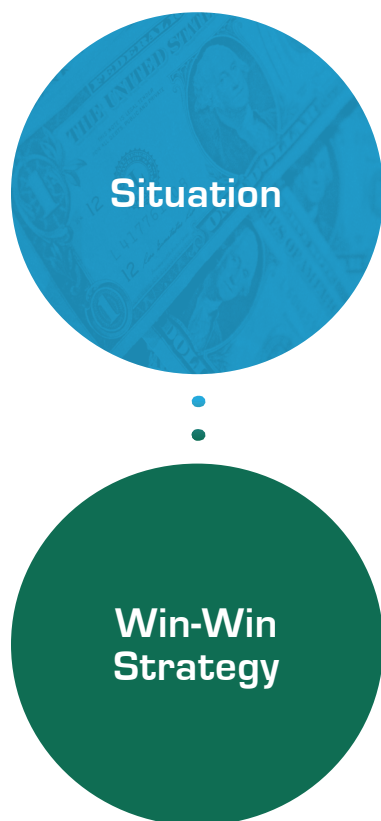
Capital Gains rates vary by the individual situation.
This is for illustrative purpose only.

Win-Win Strategy

Seller sells the property to a non-profit for less than the fair market value which reduces the tax and takes a charitable tax deduction for the difference between the sales price and the fair market value.

Seller and Non-Profit Win-Win Strategy #2

IRS Section 644 Charitable Remainder Trust is a tax-exempt trust which can sell property without a capital gains tax.



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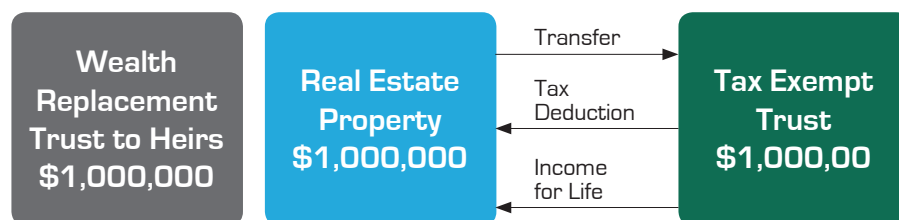
Problem Tax



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The seller transfers their property to a specially designed trust which avoids the capital gains on the sale of the property in the trust. The property is sold in the trust and the value is reinvested such as to pay a lifetime income of a minimum of 5% to the sellers (donors) of the property. The sellers of the property (donor) receive a charitable tax deduction for placing the property in the trust. Instead of paying tax, they get a tax deduction. The strategy can include for the heirs to inherit the full value of the property at the death of the sellers (donors).

Lifetime Income Trust



Steps to Selling Highly Appreciated Assets and avoid Capital Gains on the sale

- Establish a Tax Exempt Trust
- Transfer Property to Tax Exempt Trust
- Sell Property within Tax Exempt Trust
- Receive Tax Deduction for PV of Gift
- Receive Income for Life and Spouse Life from Trust Account

